



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 26, 2010

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 9475

Scott Rees
Round Valley Rock
2235 East Rees Lane
Morgan, Utah 84050

Subject: Five-Year Escalation of Reclamation Surety, Round Valley Rock, Round Valley Rock Mine, M/029/0004, Morgan County, Utah

Dear Mr. Rees:

The reclamation surety for the Poverty Point Quarry was submitted in March 2005 (with 2005 Means costs) and was escalated for five years. The Division has escalated the surety amount to 2015, five years, for a cost of **\$67,200.00 (see attached)**. This increased amount is based on escalation of unit costs and assumes no increases in the disturbed area or changes in operations since the surety was originally calculated and submitted.

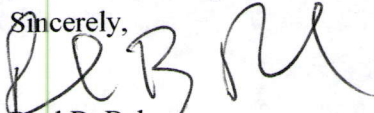
Please provide the updated surety no later than June 29, 2010.

To increase the surety amount, you can amend the existing letter of credit, or submit a surety bond, a certificate of deposit, or cash for either the increased or the full amount. Please contact the Division's bonding coordinator, Penny Berry, at (801) 538-5291 or by e mail at bondcoordinator@utah.gov for further information or to obtain the current bonding forms.

The Division is attempting to have operators of large mines update their surety calculations in a new format. We would like to send you the new spreadsheets by electronic mail and have you start completing them. Please contact Wayne Western by telephone at 801-538-5263 or by e mail at waynewestern@utah.gov to obtain these spreadsheets and to receive instructions about them.

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at (801) 538-5261 or the Leslie Heppler at (801) 538-5257.

Sincerely,


Paul B. Baker

Mining Program Manager

PBB:lah:pb

P:\GROUPS\MINERALS\WP\M029-Morgan\M0290004-RoundValley\final\Escalate-04262010.doc



RECLAMATION SURETY ESTIMATE

Round Valley Rock, Inc.

Round Valley Rock, Inc.

DOGM file Number M/029/004

Prepared by Utah State Division of Oil, Gas & Mining

04/26/2010

filename M029-004.WB2

Morgan County

Note: actual unit costs may vary according to site conditions last unit cost update 03/01/05

-Amount of disturbed area which will receive reclamation treatments = 20 acres

-Estimated total disturbed area for this mine = 27 acres

Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mnts & installation)	1	sum	600	600	(1)
Demolition of buildings & facilities	0	CF	0.35	0	(2)
Debris & equipment removal - trucking	0	trips	73.00	0	(3)
Debris & equipment removal - dump fees	0	ton	99.00	0	(4)
Debris & equipment removal - loading trucks w/FE loader	0	hour	248.00	0	(5)
Demolition & debris removal - general labor	0	hour	51.05	0	(6)
Regrading facilities areas - D8R (2ft depth)	0	acre	1288.01	0	(7)
Regrading - D8R dozer COST PER HOUR	0	hour	357.78	0	(7h)
Regrading waste dump slopes - D8R dozer	2300	CY	0.67	1530	(8)
Ripping waste dump tops - D8R dozer	2.5	acre	597.62	1494	(9)
Regrading pit slopes	7	acre	597.62	4183	(9)
Ripping stockpile & compacted areas - D8R dozer	10	acre	597.62	5976	(9)
Ripping pit floors - D8R dozer	10	acre	597.62	5976	(9)
Ripping pit access roads - D8R dozer (2ft depth)	0	acre	1017.83	0	(9)
Ripping - D8R dozer COST PER HOUR	0	hour	426.87	0	(9h)
Creating safety berms or barriers around highwalls -D8R	1700	LF	0.21	356	(10)
Ripping access roads- D8R dozer	0	acre	597.62	0	(9)
Regrading access roads - D8R dozer	0	acre	644.00	0	(7)
Sidecast mtl replacement of steep slopes - trackhoe	0	LF	38.02	0	(11)
Sidecast mtl replacement- trackhoe COST PER HOUR	0	hour	380.17	0	(11h)
Surface drainage restoration or construction	0	LF	0.24	0	(10)
Topsoil replacement - D8R dozer	1000	CY	0.85	852	(8)
Topsoil replacement - scraper	0	CY	1.15	0	(12)
Topsoil replacement - scraper COST PER HOUR	0	hour	440.78	0	(12h)
Topsoil replacement - truck only, 2 mi round trip	0	CY	3.55	0	(13)
Topsoil replacement - loading trucks - FE loader	1000	CY	0.69	688	(14)
Topsoil replacement - FE loader COST PER HOUR	0	hour	172.05	0	(14h)
Ripping prior to seeding	20	acre	597.62	11952	(9)
Mulching (2 ton/acre alfalfa/straw)	0	acre	400.00	0	(00)
Fertilizing (100 lb/acre diammonium phosphate)	10	acre	100.00	1000	(00)
Composted manure (10 ton/acre)	20	acre	350.00	7000	(00)
Broadcast seeding	20	acre	280.00	5600	(00)
Drill Seeding	0	acre	280.00	0	(00)
Hydroseeding	0	acre	930.00	0	(00)
General site cleanup & trash removal	10	acre	100.00	1000	(00)
Equipment mobilization	2	equip	3000	6000	(00)
Reclamation supervision -10% of reclamation estimate		Subtotal		54208	
				5421	(15)
10% Contingency		Subtotal		59629	
				5963	
Escalate for 5 years at 0.50% per year		Subtotal		65592	
				1656	
		Total		67248	
Rounded surety amount in year 2015 \$				\$67,200	

Average cost per disturbed acre =

2491

RECLAMATION SURETY ESTIMATE - D8R

Mine Operator

0 01/00/1900

mine name

0

DOGM file number

0

Prepared by Utah State Division of Oil, Gas & Mining

0

last unit cost update

03/01/05

DOGM lump sum assumed

Means 2010, 02 41 16.13 0100, Building Demolition, mix of types, avg., excluding dump fees

Means 2010, 02 41 19.23 5100, bldg demo, rubbish handling, \$0.63/CY per mile for >8CY truck; assumed 100 miles round trip

Means 2010, 02 41 19.19 0020, dump charges, typical urban city, tipping fees only, bldg construction mtl

Rental Rate Blue Book 2nd Half 2009, Cat 980H, 7.5 CY \$130/hr+\$53.70/hr, & Means 2010 Eqmd \$64.30, loading trucks only = \$245.50

Means 2010 Common Building Laborer (Clab), incl. O & P

Means 2010 & Blue Book 2nd Half 2009+ 10%, Cat Dozer, mtl 2550 lb/CY, 50 ft push, 2 ft depth

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer - size specified

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, multi shank rippers, speed 1.0 mph

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, multi shank rippers, speed 1.0 mph

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, multi shank rippers, speed 1.0 mph

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, multi shank rippers, speed 0.5 mph

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, multi shank rippers, speed 1.0 mph

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, multi shank rippers, speed 1.0 mph

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, mtl 2550 lb/CY, 50 ft push, 1 ft depth

Means 2010 & Blue Book 2nd Half 2009: Cat 345C L Excavator, 2.5CY bucket, 75% efficiency, 20 ft wide road, used avg 1.0 CY/LF

Means 2010 & Blue Book 2nd Half 2009: Cat 345C L Excavator, 2.5CY bucket

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth

Means 2010 & Blue Book 2nd Half 2009, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth

Means 2010 & Blue Book 2nd Half 2009: Cat 627G P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%,

Means 2010 & Blue Book 2nd Half 2009: Cat 627G P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%,

Means 2010 31 23 23.20 5200: earthwork, hauling excavated or borrow, loose cy, no loading incl., off highway hauler, 22 CY, 2 mile round

Means 2009 & Blue Book 2nd Half 2007, Cat 950H FE loader, 3.25 CY bucket

Means 2009 & Blue Book 2nd Half 2007, Cat 950H FE loader, 3.25 CY bucket

DOGM general estimate - mulching

DOGM general estimate - fertilizing

DOGM general estimate - manure \$19/ton delivered, \$16 ton/acre spreading

DOGM general estimate - broadcast seeding

DOGM general estimate - drill seeding

DOGM general estimate - hydroseeding

Mine Number: M290004

Mine Name: ROUND VALLEY ROCK

Township 04.0 N Range 03.0 E Section 29

Meridian: SLBM

07/06/2007

Map Produced by DKS

Acres Disturbed	30.54
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0
Total Acres Disturbed	30.54
Acres Released	0
Acres Excluded	0
Acres PreExisting	0
Acres Prelaw	0

Legend
All items symbolized in legend may not be appear on map

- Active Mines

Inactive Mines

Unknown Status

County Boundary

Interstate

US Route

State Route

Primary Route

Secondary Route

Main Dirt Road

Unimproved Road

Interchange

Trail
- Township or range line

Township or range line, location doubtful

Section line

Section line, location doubtful

Access

Mine

NonMine

Reclaimed

Other
- Disturbed

Regraded

Seeded

Released

Excluded

Prelaw

Proposed

Bond Area

SITLA Mineral Leases

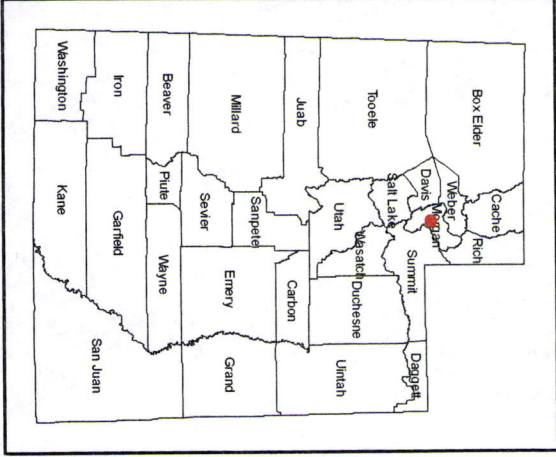
BLM Salable Minerals

BLM Mining Notices

Community Pt

SITLA Mineral Ownership

NALP imagery date 2006



1:7,500 1 inch = 625 feet
Verify Scale

Dept. of Natural Resources
Division of Oil, Gas, and Mining
Mineral Mines Program

Different data sources and input scales
may cause misalignment of data layers.
This product may not meet DOGMI
standards for accuracy and content.

11/19/2008 NAD 1927 UTM Zone 12N